

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2475

Introduced by Assembly Member Gordon

February 19, 2016

An act to add Chapter 7 (commencing with Section 63090) to Division 1 of Title 6.7 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2475, as amended, Gordon. Loan program: California Infrastructure and Economic Development Bank.

Existing law, including the California Global Warming Solutions Act of 2006, imposes requirements on local governments for meeting specific environmental quality standards. The Bergeson-Peace Infrastructure and Economic Development Bank Act authorizes the California Infrastructure and Economic Development Bank, governed by a board of directors, to make loans, issue bonds, and provide other financial assistance for various types of infrastructure and economic development projects, among other things. The act establishes the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, for support of the bank.

~~This bill would state the intent of the Legislature to enact legislation to establish a forgivable loan program, administered by the California Infrastructure and Economic Development Bank, for local governments that provide matching funds for affordable housing projects that assist in meeting the goals of their region's sustainable community strategy (SCS) and the California Global Warming Solutions Act of 2006.~~

This bill would establish within the bank the Local Government Affordable Housing Forgivable Loan Program, and require the bank

to make loans to a local government for the development of affordable housing by the local government on terms and conditions the bank deems in the best interests of the state. The bill would define terms for its purposes. The bill would excuse a local government from being required to repay either half or all of the principal and interest on a loan if the local government meets specific requirements that include, among others, that at least 75% of the units in the financed affordable housing be affordable to very low income households or extremely low income households, as specified. The bill would require the board to consult with the Strategic Growth Council and the California Housing Finance Agency in determining whether a local government has met these requirements. By expanding the use of the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, this bill would make an appropriation.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 7 (commencing with Section 63090) is
2 added to Division 1 of Title 6.7 of the Government Code, to read:

3
4 CHAPTER 7. LOCAL GOVERNMENT AFFORDABLE HOUSING
5 FORGIVABLE LOAN PROGRAM

6
7 63090. There is within the bank the Local Government
8 Affordable Housing Forgivable Loan Program.

9 63090.5. For purposes of this chapter, the following definitions
10 shall apply:

11 (a) "Affordable housing" means a dwelling available for
12 purchase or lease by persons and families who qualify as low- or
13 moderate-income, as defined in Section 50093 of the Health and
14 Safety Code, very low income households, as defined in Section
15 50105 of the Health and Safety Code, or extremely low income
16 households, as defined in Section 50106 of the Health and Safety
17 Code.

18 (b) "Loan program" means the Local Government Affordable
19 Housing Forgivable Loan Program established by this chapter.

20 (c) "Local government" means a city, county, or city and county.

1 63090.10. *The bank shall develop and administer the loan*
2 *program to make loans to a local government for the development*
3 *of affordable housing by the local government on terms and*
4 *conditions the bank deems in the best interests of the state.*

5 63090.15. *A local government shall not be required to repay*
6 *a loan made pursuant to the loan program, as follows:*

7 *(a) A local government shall not be required to repay one-half*
8 *of the principal of, and accrued interest on, a loan made pursuant*
9 *to the loan program if all of the following requirements have been*
10 *satisfied by the local government to the satisfaction of the board:*

11 *(1) The affordable housing financed with the loan proceeds is*
12 *compatible with the strategy required by Section 65080.*

13 *(2) The affordable housing financed with the loan proceeds*
14 *contributes to the reduction of greenhouse gases pursuant to the*
15 *strategy required by Section 65080.*

16 *(3) Each dwelling of affordable housing financed with the loan*
17 *proceeds is restricted by deed to remain affordable housing for*
18 *55 years from the completion of the dwelling.*

19 *(4) At least 75 percent of the dwellings in an affordable housing*
20 *development financed with the loan proceeds are affordable to*
21 *very low income households, as defined in Section 50105 of the*
22 *Health and Safety Code, or extremely low income households, as*
23 *defined in Section 50106 of the Health and Safety Code, at either*
24 *an affordable housing cost, as defined in Section 50052.5 of the*
25 *Health and Safety Code or an affordable rent, as defined in Section*
26 *50053 of the Health and Safety Code.*

27 *(5) The local government contributed to development of the*
28 *affordable housing financed with the loan proceeds in an amount*
29 *of funds that are equal to, or infrastructure improvements that are*
30 *equal in value to, the amount of the loan.*

31 *(b) A local government shall not be required to repay any*
32 *amount of a loan made pursuant to the loan program if all of the*
33 *following requirements have been satisfied by the local government*
34 *to the satisfaction of the board:*

35 *(1) All the requirements in subdivision (a).*

36 *(2) The local government waived at least 50 percent of any*
37 *development or permitting fees it could have imposed on a*
38 *developer in the ordinary course of approving the development of*
39 *the affordable housing financed with the loan proceeds.*

1 (3) *The affordable housing development financed with the loan*
2 *proceeds includes onsite access to services needed by the residents*
3 *of the affordable housing, including, but not limited to, social*
4 *services and medical services.*

5 63090.20. (a) *The board shall determine whether a local*
6 *government is excused from repaying half or all of a loan pursuant*
7 *to Section 63090.15 after the completion of the development of the*
8 *affordable housing financed with the loan proceeds.*

9 (b) *The board shall make a determination pursuant to*
10 *subdivision (a) only after consulting with the Strategic Growth*
11 *Council and the California Housing Finance Agency regarding*
12 *whether the local government met the requirements of Section*
13 *63090.15. The Strategic Growth Council and the California*
14 *Housing Finance Agency shall respond to a request for*
15 *consultation from the board within a reasonable time.*

16 (c) *The board shall establish a process for a local government*
17 *to apply for a reduction in loan repayment pursuant to Section*
18 *63090.15.*

19 ~~SECTION 1.—It is the intent of the Legislature to enact~~
20 ~~legislation to establish a forgivable loan program, administered~~
21 ~~by the California Infrastructure and Economic Development Bank,~~
22 ~~for local governments that provide matching funds for affordable~~
23 ~~housing projects that assist in meeting the goals of their region's~~
24 ~~sustainable community strategy (SCS) and the California Global~~
25 ~~Warming Solutions Act of 2006 (Division 25.5 (commencing with~~
26 ~~Sec. 38500) of the Health and Safety Code).~~